CITIZENS LEAGUE REPORT

No. 20

A Report on Proposed Programs for Management Improvement & Work Simplification Training for the city of Minneapolis

March 1954
CITIZENS LEAGUE OF GREATER MINNEAPOLIS
601 Syndicate Building

To: City and Metropolitan Government Committee

From: Dan Magraw

Subject: Report on Proposed Programs for Management Improvement and Work
Simplification Training in the Minneapolis City Government

I. INTRODUCTION

The quality of government is of consequence and concern to all citizens of
Greater Minneapolis - our laboring people, our business men, our professional
people, our parents, our children, our legislators, our city employees. This is
true whether the government be federal, state, county, or local. We all want good
government. We want it in Washington, D.C., in Minnesota, in Hennepin County, in
Minneapolis. We want it for many reasons, probably the most important of which
is that democracy is strengthened by good government but, conversely, is weakened
to varying degrees by anything less than the best.

No in the Citizens League are not looking for good government - we have it: good
schools, good parks and playgrounds, good streets, good traffic control, good
police and fire protection, good public health programs, etc. But we are looking
for better government. What we and all Minnesotans want to know is what
approaches bring the best government and in specific terms how do these approaches
bring it.

There are, of course, many approaches to better government. Some of these have
generated as much heat as light. Some people think we need charter reform; others
are opposed to change. Some people want strong mayor system; others believe in
the present weak mayor system. Some people think a city manager is the answer to
many problems; others appear to be sure it is not an answer. And so on. We are
not now considering these controversial items. They have been covered elsewhe;
many times and will be finally decided by our votes at the polling places.

Fortunately, however, there are ways to better government which are not
controversial. There are methods of getting more for our money which no one will
protest and which do not require political action. There are in particular two
such programs that we think offer real opportunity for bringing better government.
These are:

A Management Improvement Program

A Work Simplification Training Program

These are complimentary. Each will be most successful only when the other is
active and effective.

These programs are discussed in some detail in the following sections:

II. EXPLANATION OF THESE PROGRAMS

A. A Management Improvement Program is essentially this: the assignment of
competent personnel full-time to the business of making progress and
improvements. It is the continuing study and search of policy, program,
conditions, processes, and procedure to see that organizational objectives
are accomplished as efficiently as possible. At present, there is no such program in the city administration. Of course, each competent city employee-and there are many of them- has made, is now making, and will continue to make improvements in his work. This is and should be part of his job. But it is only a part of his job and necessarily a very minor part at that. Furthermore, each employee is usually in a position to know little more than his own job or parts of a procedure in which he is involved. Thus, not only is there no one in a position to spend his entire time on developing improvements, but even where improvements are now being developed by individual employees, the overall view of city operations necessary in so many cases for basic improvement is missing.

B. A Work Simplification Training program is established for the purpose of permitting, encouraging, and developing the organized application of common sense by all employees to find easier and better ways of doing work. Work Simplification is an approach to problem solving. It is based upon a philosophy which has been described as follows:

1. There is always a better way to do anything.

2. Change is normal.

3. Measurement of work is necessary to simplification and can be done by anybody.

4. Difficult problems are made up of and can be analyzed in terms of simple steps.

5. When management recognizes that: (1) the collective brainpower of people is a great potential asset; (2) training can make this potential brainpower more effective; (3) all management can be induced to use this trained ability; and (4) channels for ideas are essential to reaping the fruits of this training, then top management can really control efficiency by training appropriate personnel and making them responsible for being alert for improvement.

6. Work Simplification is problem solving. All problems are solved by the basic pattern of:
   Identifying the problem
   Gathering data pertinent to the problem
   Analyzing the data
   Developing a solution to the problem
   Putting the solution to work

III. HOW THEY CONTRIBUTE TO BETTER GOVERNMENT

A. A Management Improvement Program properly conceived and staffed and correctly placed in the city government can be a vital factor in bringing better government. A Management Improvement Program can help us toward better and better government through proper identification of problems (problems related to policy, program, conditions, processes, and procedures) gathering and analysis of facts relating to these problems, skillful presentation of reports and recommendation for improvements. The results will be in terms of better service to the public, better control of operations, lower costs, all of which means that we will be getting more for our money.
Since government operations are heavy on paperwork, there is a very timely example of what this means. There is beginning something that can only be described as an office revolution. Already in use are electronic data processing machines which will handle vast quantities of paperwork with speed and precision undreamed of heretofore. Their availability of such equipment makes it imperative that we begin now on a planned basis to review our city paperwork operations from a city-wide viewpoint. Paperwork is only one example. There are many possibilities for improvement in all line and staff operations.

B. A Work Simplification Training program can give us better government by improving our methods; creating an environment throughout the civil service conducive to progress and ideas and one which will permit change building a more competent, thoughtful, loyal, and interested group of employees. The whole approach here is to make the employees all employees a part of the team and give them knowledge of simple techniques for developing improvements.

C. These programs, it is emphasized, are complementary. A management improvement program is likely to be much more productive when employees have been trained in work simplification philosophy. Similarly a work simplification training program is most useful when trained personnel are available to assist employees on the technical aspects of simplification.

IV. HOW TO EFFECTUATE THESE PROGRAMS.

As we see it, neither of these programs is controversial. They are not political issues. They have to do only with the administrative environment in which city employees work. Neither of these requires for its accomplishment any political action. The goal of these programs is the administration of existing legislation in the best possible way. They will give us a better city government, more for our money.

A. In specific terms, establishing a management improvement program means this:

1. Adoption of a "joint resolution" by the City Council and the Mayor endorsing the program and its philosophy in such a way that the city departments are fully aware of top level support.

2. Appropriating money to the Mayor or the city research engineer for at least two employees competent in administrative analysis and capable of presenting and selling recommendations resulting from that analysis.

3. Recognition by all concerned that the effectiveness of this program depends upon establishment of and adherence to project priorities and upon isolating the analysts from fighting day-to-day administrative fires and thus preventing dissipation of their effectiveness.

B. The work simplification training program requires:

1. The same step as "1" above.

2. Acceptance by the City Council and an offer of the Citizens League to plan, develop and administer the first work simplification training program for the city government.
3. Assignment of at least two people in the city government to work closely with the people giving this course toward the end that they will be able to give subsequent courses.

4. Assignment of top level personnel in the city service to take the course.

V. PRECEDENTS FOR THIS PROGRAM

A. Although it is only within the past six or seven years that the practice has begun to spread widely, formal management improvement programs have long been in existence in governmental and private organizations. Three outstanding examples in government are the United States Bureau of the Budget, the State of New York, and Kansas City, Missouri. The Bureau of the Budget has had a highly successful program for many years and has consistently fostered the development of improvement programs in federal agencies. New York State has had a large scale, successful program for some time. Kansas City since 1945 has had a really productive improvement program. There are, of course, many impressive examples in private enterprise. As a part of our survey, information was obtained from several of the many governmental jurisdictions having management improvement programs. This information is attached in total to the original copy of this report. Certain parts of these letters, however, are included immediately below to indicate philosophy, scope, and method of operating these programs.

From the City of Kansas City, Missouri, P.W. Homer, Director of the Research and Budget Department:

"... This report should answer many of your questions. It does set forth some specific savings which have been accomplished through the works of this department. However, it has been our experience that savings made in one operation are usually devoted to another operation for improvement of services which are generally considered below that acceptable.

"You may be interested to know that in comparing per capita expenses by function made in Kansas City with cities of commensurate size we have found that Kansas City spends more per capita for staff and management services than other cities, but conversely spends less per capita for standard city services, such as street cleaning, fire protection, police protection, etc. Analysis as to why this is true is that good staff work and management analysis enables operating departments to make operating savings that are not otherwise possible, thereby giving the tax payer a much better service for his tax dollar than he would get otherwise."

From the City of Long Beach, Calif., Arthur G. Will, Administrative Analyst:

"... We are very glad to see that certain groups in the City of Minneapolis are interested in establishing a formal management improvement program. As you know, Mr. Samuel M. Roberts, Director of Finance, has been instrumental in establishing such programs in major cities in the country and we are all of the definite opinion that sound and permanent improvements in municipal administration can only be obtained through a program of systematic research. The more of these programs that are established in cities throughout the country, the greater the benefit both to the taxpayers and professional administrator."
From the State of California, P.H. Fazel, Chief Administrative Analyst:

"... Since 1942, there has been a management analysis staff in the Department of Finance. The function of this unit is primarily to survey state agencies, or study proposals for new agencies, in order to determine and to recommend the most effective organizational structure, systems and procedures, and policy applications.

"The management analysis staff prepares reports with recommendations for improved management. It is a research and advisory staff, and does not exercise any direct control over state management. ...

"... It should be emphasized that this staff is one of a number of agencies working toward better state management. Several of the largest departments have management analysts or staff units doing the same kind of work for a particular agency. Administrators and supervisors in the executive branch, the budget staff, the Legislative Auditor's staff, and the Legislature have all participate and, in many instances, taken actions necessary to implement improvements in state service.

"The management analysis staff has, however, participated in many reorganization and improvements and to considerable degree has been able to obtain cooperative acceptance of its findings and recommendations."

From the State of New York, William M. Arnstein, Chief Examiner-Management:

"... A continuous management improvement program is underway in order to service those agencies which lack methods and procedures units and to assist other agencies whose management units are not geared to handle the complete job alone. A few examples will, I think, enable you to see the nature of this program. The Bureau's survey of business management practices in mental hygiene institutions will produce uniformity and improvements in business office procedures and production and staffing standards. As another example, I should like to cite the case of the State Liquor Authority, where management was improved through the establishment of uniformity in field office procedures, closer coordination between administrative and staff units, and the mechanical issuance of licenses.

"... In order to improve departmental management on a day-to-day basis, the Budget Division has sparkplugged the establishment of methods and procedures units in a number of agencies. You will be interested in the list of agencies where full-fledged units or the beginnings of such units are now in operation. These are the State Insurance Fund, the Division of Placement and Unemployment Insurance, the Workmen's Compensation Board, the Department of Health, the Department of Taxation and Finance, the Department of Civil Service, the Department of Audit and Control, the Education Department and State University. That covers a substantial part of State government.

"... How effective have the Administrative Management Bureau and the various methods and procedures units been in improving departmental management? While, admittedly, I am a biased observer, I feel, nevertheless, that our record is a good one, measured either in terms of dollar savings or in terms of increases in production or improvements in service to the public. None of this, I want to emphasize again, can come about without the active support of the top administrators."
From the State of Oregon, Department of Finance and Administration, William W. Collier, Administrator of the Management and Research Division:

"... The duties and functions assigned to the Management and Research Division and the Accounting Division of the Department which, in reality, operate at the present time as one unit, are defined in rather broad terms by Chapter 439, Oregon Laws 1951. Sections 30, 31, 32, 65, 66 and 67 authorize and direct the Department to undertake continuing analysis of the organization and administration of the State's business and 'devise and install modern and complete accounting systems for the state agencies...'. It was the obvious intent of the Act to provide additional impetus toward ever-increasing efficiency and economy of the State's operating processes. We think it basic and we would very much like to establish a continuing review procedure of the accounting practices and the organizations and methods used by State agencies. It is our thought that such a systematic and continuing review would permit an orderly development of new methods and procedures on a state-wide basis that would provide maximum effectiveness and economy."

From the State of Connecticut, Heman B. Averill, Sr. Management Analyst:

"... As a result of these surveys, the Governor considered hiring a tremendous staff of up to one hundred people in order to survey all state agencies in a very short period of time. It was pointed out to him that it would be impossible to hire that number of people, and that administrative management surveys should be conducted slowly and methodically over a long period of time. As a result, he recommended to the legislature that the Management Unit of the Budget Division be increased to ten people, and at this time we have a staff of nine. This staff is composed of people who have had training in government and public administration, most of them having a Master's Degree in the field. We consider our management section to have four basic purposes: (1) the carrying on of a continuing program of agency analysis and improvement, (2) to aid agencies who request help in solving internal administrative problems, (3) to act as 'trouble shooter' for the Governor and the Budget Director in any administrative emergencies, and (4) to work closely with the budget examination unit in the preparation, presentation and execution of the budget."

From the State of Wisconsin, Robert D. Siff, Director, Division of Departmental Research:

"... The job of this organization is not to encourage or discourage the promotion and development of programs on the legislative level, but rather to examine the legislative directives as they apply to particular programs and to see to it that the maximum proportion of appropriated funds is spent in carrying out the purpose of the program as conceived by the legislature. Our job then is to reduce administrative costs to the lowest possible extent, consistent with the goal of program accomplishment.

"With this in mind, we have adopted and adhered to the philosophy of enlisting the cooperation of the executive departments in effecting changes in organizational methods and procedures. We believe that if this attitude of cooperation is lacking, nothing constructive can be accomplished."

"As a result of studies previously made, certain changes in departmental operation have been put into effect and workable administrative controls have been established. Administrative management studies of the Department of Public Welfare, Department of Agriculture, Motor Vehicle Department, Highway Commission..."
University of Wisconsin, State Investment Commission and the licensing division of Board of Health have increased the effectiveness of these departments, and, in our opinion, resulting changes in methods of operation have substantially increased the return to the taxpayer per tax dollar invested. By revising the procedures of the Investment Board and making certain changes in the law, the state is now earning $250,000 more per year on its accumulated balances than it was prior to the study.

"In the area of general administrative control, again as a result of the efforts of this division, the entire budgetary process has been strengthened, a limited system of position control is developing and efforts are being made to better utilize and maintain a broad range of mechanical equipment owned and operated by state departments.

"Our immediate future plans entail management studies of those agencies performing routine or housekeeping services for all state departments. Beyond that, we will continue to survey the work of approximately 60 executive departments which, theoretically, fall within the administrative jurisdiction of the Governor."

2. Work Simplification Training programs are relatively new. They are, however, rapidly spreading in the field of management. Among the most important of its many attributes is that it leads to a real labor-management cooperation, a cooperation based upon facts. The number of companies using this program is growing steadily. One of the best examples is Minneapolis Honeywell (it is the experience of this company and its training director that is in large part responsible for this recommendation). To our knowledge, there has been little done with this in government except at the federal level, and even there it has been confined to relatively high level employees.

VI. GENERAL COMMENTS

Review of the experiences of management improvement groups in government and industry emphasizes the overwhelming importance of permitting these groups to concentrate their efforts on the major problems in an organization. Perhaps the best way to insure this is to view the group as "outside consultants" who are hired for specific survey or installation work and who remain completely divorced from day-to-day administrative operations. If this approach is not followed, it is probable that the real potentiality of a management improvement program will not be realized.

Staffing the management improvement program is, of course, important. Exactly how many persons should be involved in the program can only be determined by experience. It is our opinion, however, that every effort should be made to set up a staff which can quickly demonstrate what the program can do. The question is: Can the city afford this? The answer to this is that the city cannot afford to do otherwise.

The results which can result from work simplification training will result only if top personnel are in tune with the objectives and methods of the program. It is for this reason that the top personnel should go through this program first